

State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt Governor Robert L. Morgan Executive Director Lowell P. Braxton Division Director 1594 West North Temple, Suite 1210 PO Box 145801 Salt Lake City, Utah 84114-5801 (801) 538-5340 telephone (801) 359-3940 fax (801) 538-7223 TTY www.nr.utah.gov

September 4, 2002

Re: Second Notice - Delinquent Permit Fees, Minerals Regulatory Program

Dear Permittee:

Our records indicate that we have not received your annual permit fee payment(s) for the 2002 fiscal year. The enclosed "Delinquency Notice" is sent as a second reminder that your annual payment is overdue for the listed project(s). Payment was due by July 26, 2002, for the original billing statements sent June 27, 2002. Your annual fee is now 30 days past due. If you have already sent in your payment, please accept our thanks and disregard this notice.

If you have reclaimed the project site and no longer wish to keep your permit active, you may check the box on the enclosed billing notice requesting a Division site inspection. This will suspend your fee payment until we can perform a site inspection. If our inspection shows that the site is stabilized and meets the 70% pre-mining revegetation success standard, then the project can be released and the case file closed. If the site is not satisfactorily reclaimed, you will be notified accordingly and the annual fee must be received within 30 days of the inspection date.

The annual permit fee(s) must be submitted to keep your permit in effect. All 1998, 1999, 2000 and 2001 delinquent fee payments have now been turned over to the Utah Office of Debt Collection (ODC) for further action. The ODC assesses subsequent interest, late penalties and a collection fee to the delinquent accounts.

An operator's failure to pay the required annual permit fee may result in permit revocation (cancellation) proceedings before the Board of Oil, Gas and Mining. Cancellation of your permit will not release you from any outstanding reclamation requirements on the project area. We hope to avoid taking any enforcement action with the 2002 year fees payments. Please either 1) submit your payment; 2) check the box, if the site is reclaimed, requesting a site inspection; or 3) contact us immediately to explain the extenuating circumstances for non-payment.

If you have any questions regarding this letter, please contact me at (801) 538-5286 or Joelle Burns at 538-5291. Thank you for your immediate attention to this matter.

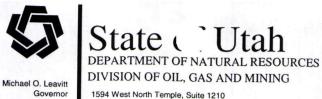
Sincerely

D. Wayne Hedberg

Permit Supervisor

Minerals Regulatory Program

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Governor Kathleen Clarke Executive Director Lowell P. Braxton Division Director 1594 West North Temple, Suite 1210 PO Box 145801 Salt Lake City, Utah 84114-5801 801-538-5340 801-359-3940 (Fax) 801-538-7223 (TDD)

SHUMWAY, DAN KIVA DRIVE 5-2 BLANDING UT 84511

ATTENTION: DAN SHUMWAY

| DELINQUENCY NOTICE | Annual Permit Fees (July 2001 thru June 2002) | | | |
|----------------------------------|---|-------|--------------|--|
| PROJECT NAME | PROJECT ID | ACRES | BILLING DATE | |
| GOLDEN & LUCKY CHANTZ PROJECT | S370064 | NA | 06/27/2002 | |
| PERMIT TYPE | PROJECT STATUS | | ANNUAL FEE | |
| SMALL MINING OPERATION < 5 ACRES | ACTIVE | | ANNUAL FEE | |
| | Notive | | \$ 150 | |

| DUE DATE | AMOUNT DUE | |
|------------|------------|--|
| 07/26/2002 | \$ 150 | |

Please see enclosed instructions for payment.

Please retain this portion for your records. For billing Information call (801) 538-5291

This portion MUST be returned with your payment to ensure proper credit. THANK YOU

| SHUMWAY, DAN | | GOLDEN & LUCKY CHANTZ PROJECT | | PROJECT ID |
|---|------------------------------------|--|--------------------------|------------|
| | | | | S370064 |
| DUE DATE ANNUAL FEE | AMOUNT DUE | FEE NOT ENCLOSED | EE NOT ENCLOSED Change o | |
| 07/26/2002 \$ 150 \$ 150 TAX ID OR SOCIAL SECURITY # | | Permittee requests an inspection to close out this permit. | Contact | |
| DIVISION OF C | OIL CAC AND MIN | 1110 | Address | |
| | OIL GAS AND MINI ORTH TEMPLE SU | | | |
| PO BOX 145801 | | State Zip | | |
| SALT LAKE CITY UT 84114-5801 | | | Phone | |
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